



# Financial Assistance Award

**DENALI COMMISSION**  
510 "L" Street, Suite 410  
Anchorage, Alaska 99501  
(907) 271-1414 (phone)  
(907) 271-1415 (fax)  
www.denali.gov

Project Number 0016-DC-2000-E3 Amendment 2

Project Title Alaska Growth Capital Loan Program, Amendment 2

Performance Period

Recipient Name & Address

Alaska Growth Capital, Inc.  
2121 Abbott Road, #101  
Anchorage, AK 99507

06/21/02

Authority  
112 Stat 1854

CFDA Number  
90.100

Denali Commission Finance  
Officer Certification

Phone: (907) 349-4904  
Fax: (907) 349-4924

## Cost Share Distribution Table

Accounting Code	Denali Commission	Other Contributors	Total
95670000 FY00	\$824,000	\$7,000,000	\$7,824,000
95670000 FY01	\$1,500,000	\$2,000,000	\$3,500,000
95670000 FY02	\$1,500,000	\$0	\$1,500,000
<b>Total</b>	<b>\$3,824,000</b>	<b>\$9,000,000</b>	<b>\$12,824,000</b>

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- ☒ Special Award Conditions and Attachments  
☐ Line Item Budget  
☒ OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments  
([www.whitehouse.gov/OMB/circulars/a133/a133.html](http://www.whitehouse.gov/OMB/circulars/a133/a133.html))  
☒ State of Alaska Statute AS 10.13, Alaska BIDCO Act

### Administrative Requirements (check one)

- ☐ 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments  
([www.access.gpo.gov/nara/cfr/waisidx\\_99/15cfr24\\_99.html](http://www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html))  
☒ 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations  
([www.access.gpo.gov/nara/cfr/waisidx\\_99/15cfr14\\_99.html](http://www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html))

### Cost Principles (check one)

- ☐ OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments  
([www.whitehouse.gov/OMB/circulars/a087/a087-all.html](http://www.whitehouse.gov/OMB/circulars/a087/a087-all.html))  
☐ OMB Circular A-122, Cost Principles for Nonprofit Organizations  
([www.whitehouse.gov/OMB/circulars/a122/a122.html](http://www.whitehouse.gov/OMB/circulars/a122/a122.html))  
☐ OMB Circular A-21, Cost Principles for Educational Institutions  
([www.whitehouse.gov/OMB/circulars/a021/a021.html](http://www.whitehouse.gov/OMB/circulars/a021/a021.html))  
☒ 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission

Typed Name and Title

Jeffrey B. Staser, Federal Co-Chair

Date

6/4/02

Signature of Authorized Official

Typed Name and Title

David Hoffman, President  
Alaska Growth Capital

Date

6.20.02

### **Award Conditions to the Financial Assistance Award**

1. The scope of work for this financial assistance award includes:
  - Financial assistance with performance measures for a loan program at Alaska Growth Capital
  - Total Commission funding for *Alaska Growth Capital* through this amended agreement is \$3,824,000; total funding (including from other sources) is \$12,824,000. Commission funding is intended for use for the scope of work specified above only.
2. The Project Officer for *Alaska Growth Capital* is David Hoffman, and for the Denali Commission is Al Ewing. Either party may change project officer designation with written notification to the other party.
3. The Alaska Growth Capital shall submit written progress reports to the Commission Project Officer as follows:
  - An annual quantitative report on performance against all accountability measures due February 28 of each year. This report will be in the format of the Community Development Financial Institution (CDFI) annual report;
  - An annual narrative report providing brief descriptions of each of the financings and consulting engagements with businesses in "distressed" communities as defined by the Denali Commission. This report will include an accounting of all jobs created or added in a community as a result of ventures financed by Denali Commission funding through *Alaska Growth Capital*. This report is also due on February 28 of each year.
  - Photographic documentation of projects shall be provided with the reports. The photo documentation of construction projects shall include a complete record of the construction activity over time, from "before," showing the situation before the start of construction, to "during" showing work proceeding on the project, and "after" to show the finished project. For minor repair and O&M projects, pictures should be provided of before and after to the extent possible. Photos may be provided as photo quality, 3x5 prints with negative for each picture, and/or print quality electronic photos (digital images). A short description of the activity and names of those in the photos shall also be provided.
  - An audited financial statement is due April 30 of each year.

These reports shall be sent to:

Denali Commission  
510 L Street, Suite 410  
Anchorage, AK 99501  
Fax: (907) 271-1415

The Commission reserves the right, at a future date, to direct *Alaska Growth Capital* to provide the progress reports in electronic format for posting on the Commission web page.

4. To receive funding under this agreement, *Alaska Growth Capital* must submit a "Request for Advance or Reimbursement", **Standard Form – 270**, to the Commission Project Officer.
5. The Denali Commission will review reports from each of the reporting periods identified on the attached accountability measures table. If *Alaska Growth Capital* meets or exceeds the *outstanding* level in all categories for a given performance year, *Alaska Growth Capital* will not be required to pay back an amount equal to one-fifth of the total Financial Assistance Award under any future circumstances.
6. In the event *Alaska Growth Capital* reports less than the *minimally acceptable* level for any category during any time period, the Denali Commission project officer will provide Alaska Growth Capital with written notification of "unacceptable performance." Alaska Growth Capital will be placed on performance probation and have six months to meet performance requirements for the previous year. During the probationary period, performance measures can be counted towards bringing the prior year shortfall to an acceptable level (*minimally acceptable*). Performance measures cannot be double counted in any given reporting period. If performance for the preceding year is not improved to at least the *minimally acceptable* level by the end of the probationary period, one-fifth of the amount of the Financial Assistance Award will be required to be returned to the Denali Commission within 60 days of the end of the probationary period.
7. At the end of the five-year performance period (December 31, 2006) *Alaska Growth Capital* will be allowed to convert a percentage of the total Financial Assistance Award to permanent capitalization. The amount of the award conversion is equal to 20% multiplied by the number of years *Alaska Growth Capital* met or exceeded the satisfactory level for all categories. Any balance will be returned to the Denali Commission within 60 days of the end of the performance period.
8. No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

## **Alaska Growth Capital ACCOUNTABILITY MEASURES**

**Revised May, 2002**

**Measure 1:** Total annual financing disbursements to businesses in communities defined as "distressed" by the Denali Commission. The distressed communities are listed in the Commission's issue paper of May 2001.

	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006	Total
<b>Outstanding</b>	1,770,500	1,869,245	1,967,625	2,066,000	826,440	9,016,642
<b>Satisfactory</b>	1,180,575	1,278,956	1,377,338	1,475,719	959,217	6,271,805
<b>Minimally Acceptable</b>	983,813	1,082,194	1,180,575	1,278,956	831,332	5,356,860

**Measure 2:** Total annual financing disbursements to **Alaskan - owned** businesses in communities defined as "distressed" by the Denali Commission.

	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006	Total
<b>Outstanding</b>	1,574,100	1,672,485	1,770,865	1,869,245	747,698	7,634,386
<b>Satisfactory</b>	983,813	1,082,194	1,180,575	1,278,956	831,322	5,356,860
<b>Minimally Acceptable</b>	787,050	885,431	983,813	1,082,194	703,426	4,441,914

**Measure 3:** The total annual payroll at all AGC-financed companies in distressed communities.

	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006	Total
<b>Outstanding</b>	1,141,225	1,259,280	1,377,335	1,495,395	598,158	5,871,394
<b>Satisfactory</b>	472,230	590,288	708,345	826,403	573,162	3,134,428
<b>Minimally Acceptable</b>	354,173	472,230	590,288	708,345	460,424	2,585,460

**Measure 4:** Number of technical assistance engagements provided to businesses that operate in "distressed" communities. A "technical assistance engagement" is defined as a minimum of 8 hours of assistance provided by Alaska Growth Capital. These engagements will cover a broad range of topics, as defined by the needs of the business.

	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006	Total
<b>Outstanding</b>	42	42	42	42	17	185
<b>Satisfactory</b>	31	31	31	31	20	144
<b>Minimally Acceptable</b>	20	20	20	20	13	93



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## DENALI COMMISSION

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Anchorage, Alaska 99501

(907) 271-1414  
Fax (907) 271-1415  
Toll Free (888) 480-4321  
[www.denali.gov](http://www.denali.gov)

June 4, 2002

Mr. David Hoffman  
Alaska Growth Capital, Inc.  
2121 Abbott Road, #101  
Anchorage, AK 99507

Dear Mr. Hoffman:

We have amended the Alaska Growth Capital financial assistance award from last year to show the additional amount of capitalization provided by the Commission in their April 2002 meeting. The only changes are in the performance measures and the reporting requirements. We updated the performance measures with those provided by Jason Evans. We also added a reporting requirement to include photographs of projects.

Please review the award document, and sign all three copies if you concur. Keep one of the signed originals, and return 2 signed copies to us.

We are looking forward to working with Alaska Growth Capital, and look forward to another "outstanding" year.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Staser".

Jeff Staser  
Federal Co-chair

Enclosure: AGC 2002 financial assistance award (3 copies)